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ORIGINAL

W-04254A-11-0296

September 6, 2011

Arizona Corporation Commission

1200 W. Washington

Phoenix, AZ 85007

AZ CORP COMMISSION  
DOCKET CONTROL

2011 SEP 19 P 3:55

RECEIVED

To Whom It May Concern:

On September 4, 2011 my husband and I were given a two-page petition (both are attached) that was created by Ivo Buddeke and John Dougherty and being distributed throughout our neighborhood regarding Montezuma Rimrock Water Company's (MRWC) emergency rate increase. We are customers of MRWC. The petition implies that Arizona Water Company (AWC) is in a mutual effort to take over MRWC. AWC is mentioned several times throughout the two-page petition. It is also asking neighbors, both MRWC customers and well owners, to sign protesting the emergency rate hike for MRWC. This is a very disturbing and confusing petition because for more than 19 months both Buddeke and Dougherty have been doing everything in their power to shut down and/or bootstrap MRWC. Currently Buddeke is under a 'no contact' order against Patricia Olsen until his felony gun cases have gone to trial. Dougherty is under a yearlong Order of Protection not to contact Patricia Olsen. They have come up with other ways to harass her and try to force her to give up her company. Also, nowhere on the petition do they state who authored the petition. Seems they should be proud to claim who composed the document.

Because of our concern regarding this we took a copy of the petition to AWC's Sedona location on September 6, 2011. We wanted to talk to management and find out what was going on. The CSR made a copy of the petition and let us know someone would be contacting us soon. About an hour later Keith Self, Division Manager for AWC, called to discuss the petition. He informed us of several facts regarding the petition: 1) AWC is not aware of the petition and seemed confused by its purpose 2) AWC is not thinking of nor has thought of ever taking over MRWC 3) the costs would be exorbitant to combine the two systems 4) Keith is forwarding the petition to AWC's corporate office.

The continued harassment by Buddeke and Dougherty needs to stop. Just because they hate her (which I have been told first hand by Buddeke) does not give them the right to destroy her.

Thank you for your time.

*Don Barnes 9-11-2011 Rose Mary Barnes 9/11/11*

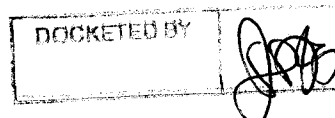
Don and Rose Mary Barnes

4580 E. Tiemann Lane, Rimrock 86335

Attachments

Arizona Corporation Commission  
DOCKETED

SEP 19 2011



*Montezuma Rimrock Water Company's*  
**Arsenic Abatement Cost Soars**  
**Corporation Commission Public Hearing set for Sept. 22, 2011**

Montezuma Rimrock Water Company (MRWC) is seeking a \$37,536 annual Emergency Rate Increase to build an Arsenic Treatment Facility with an estimated total cost of \$300,000<sup>1</sup>. This is more than double what the ACC approved in 2009 for a federally-subsidized, loan from the Arizona Water Infrastructure Financing Authority (WIFA).

**AND THIS IS JUST THE BEGINNING OF HIGHER COSTS!**

A Permanent Rate Increase will follow boosting your monthly rates even more to cover the high operating costs of the arsenic treatment facility.

MRWC is seeking the Emergency Rate Increase to obtain expensive private financing to avoid an Environmental Impact Statement (EIS). WIFA required the EIS to ensure that the company's Tieman Lane Well No. 4 does not damage Montezuma Well National Monument and Wet Beaver Creek.

*Montezuma Estates residents should not be FORCED to pay MUCH HIGHER rates for arsenic free water than their Montezuma Haven neighbors from a Well that experts believe poses a serious threat to the natural environment.*

The Arizona Water Company (AWC) has been providing water that meets the Arsenic Standard to Montezuma Haven, the neighboring subdivision 600 feet away, since the new standards came into effect in 2006. And at **MUCH LOWER RATES!** AWC's base rate is (\$23.10)<sup>2</sup> while MRWC's current base rate<sup>3</sup> is \$27.25, BEFORE MRWC's proposed \$15.64 arsenic surcharge!!

If MRWC has its way, **CUSTOMERS WILL BE PAYING A BASE RATE OF \$42.89** for water that still doesn't meet the arsenic standard until MRWC actually builds and obtains all permits to operate the arsenic plant.

**AND THAT MAY NEVER HAPPEN!!**

MRWC has not received the required County Permits to operate Well No. 4 because the majority of the property owners living next to the well have not signed an encroachment waiver needed because MRWC built Well No. 4 in Violation of the Yavapai County Water Code. MRWC MAY NEVER BE ABLE to use Well No. 4 representing a huge financial setback to the undercapitalized company.

*Meanwhile, MRWC is in the second year of the ridiculous situation where a regulated water company requires customers to make an appointment to obtain **BOTTLED WATER!!!!***

**ARSENIC ISN'T THE ONLY ISSUE**  
**MRWC ONLY HAS CAPACITY FOR 92 CONNECTIONS (over..)**

<sup>1</sup> DECLARATION OF PATRICIA OLSEN the Yavapai Superior Courts superior dated 12-7-10, already invested \$135,000 in addition to the requested 165,000 loan.

<sup>2</sup> AWC published tariff schedule ACC Decision No. 71845 effective July 1<sup>st</sup>, 2010

<sup>3</sup> MRWC published tariff schedule ACC Decision No. 71173 dated October 30, 2009

## YET IT SERVES MORE THAN 200

MRWC OWNER Patricia Olsen certified in Yavapai County Superior Court that when Well No. 1, the company's only current production well *"is inoperative, MRWC is unable to supply any water to its customers; neither is water available from my company to fight fires when the well is not functioning."*

MRWC placed all Montezuma Estates residents in jeopardy by knowingly overextending its system!

### **THERE IS AN ALTERNATIVE TO MRWC'S EXPENSIVE EMERGENCY RATE INCREASE**

#### **Commission staff recommended in 2005 that AWC serve Montezuma Estates property owners rather than MRWC**

*"Staff believes that (Montezuma Estates) customers could be better served by the transaction going forward with AWC as the buyer for the following reasons: AWC's Rimrock system is within 600 feet of the Applicant's system; AWC has a strong financial history; AWC has a new 350 gpm well which can be interconnected with Applicant's system and used to provide service to the Company's service area<sup>4</sup>; and AWC already has a Commission approved plan for arsenic treatment."<sup>5</sup>*

### **NOW IS THE TIME TO TAKE ACTION AND DEMAND THAT MONTEZUMA ESTATES RESIDENTS ARE PROVIDED SAFE DRINKING WATER AND QUALITY FIRE PROTECTION AT A REASONABLE COST WHILE PROTECTING OUR ENVIRONMENT!**

*To indicate your opposition to MRWC'S request for an emergency rate increase please  
sign the following Petition that will be presented to the Commission*

Return signed petition to: John Dougherty, PO Box 501, Rimrock, AZ 86335. OR

Drop it in the collection box labeled PETITIONS next to the door at 5280 Bentley Drive before 9-21-11

For more information contact: [jd.investigativemedia@gmail.com](mailto:jd.investigativemedia@gmail.com)

Signature	Name	Address	date	email
Signature	Name	Address	date	email

For detailed information on Emergency Rate Increase:

<https://edocket.azcc.gov/Default.aspx?SEARCH=W-04254A-11-0296>

For detailed information on Formal Complaint and Exhibits:

<https://edocket.azcc.gov/Default.aspx?SEARCH=W-04254A-11-0323>

To file you own informal complaint call the ACC @ 1-800-222 or go to:

<http://www.azcc.gov/divisions/utilities/consumerservices.asp>

<sup>4</sup> Service area is Lake Montezuma Estates unit I & II

<sup>5</sup> AWC has completed the ATF and has been providing water that meets the Arsenic standard since 2006.

*Ivo Buddhe*

*John Dougherty*

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Signature \_\_\_\_\_

Name \_\_\_\_\_

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